

## P&F Industries, Inc.

## Purchase of Air Tool Service Company

Closing Date: August 13, 2014

<b>PURCHASE PRICE</b>		
Payment of Creditor	\$	76,349.89
Payment of Escrow		387,500.00
Payment of Creditor		1,259,445.96
Payment of Seller		<u>5,935,264.15</u>
Cash Consideration	\$	7,658,560.00
Booked \$100k @ 9/30/2014	W/C Adjustment	<u>\$ (100,000.00)</u>
	\$	7,558,560.00
	D	<u>7,559,000</u>

## ADJUSTMENTS TO ORIGINAL BALANCE SHEET

- (1) Goods billed but not shipped to Michigan Pneumatic-backed out of sales and AR.
- (2) WIP Inventory beginning balance adjusted by Mike S.. Shop values added to UGI system - SLIGHT DIFF DUE TO DECIMAL CALCS AND PHYSICAL ADJ OF 56 CENTS.
- (3) Global tech (temp employees) billing/expense incurred prior to close-ATSCO responsibility.
- (4) ATSCO received wire transfer payment from TorcUp on 08-15-14 into their Bank account for TorcUp inv nos.M098163 (\$16,695.00) & M098174 (\$4,860.00).
- (5) ATSCO received check payment from R.W. Shidley no 2237 and deposited into their Bank account.
- (6) Physical inventory adjustment - write down of \$19,636.98.
- (7) ATSCO invoice to ITT no M098123 (\$128.52), M098179(\$188.06), M098210(\$869.14) paid to old ATSCO bank acct by ACH-ACH had been changed going forward.
- (8) TorcUp ACH payment on 08-07-14 - deduct 30% against prepaid customer deposit account - (\$5008.50).
- (9) To record working capital receivable.

### Working Capital Adjustment:

A/R	\$ 209,656.19
Allowance	(20,000.00)
Inventory	696,622.87 OSMI is not considered for WC AJE
WIP	216,555.76
A/P	(157,017.76)
Customer Deposits	(187,745.38)

(10) To fair value tangible and intangible assets.	\$	758,071.68
(11) To adjust inventory to day 1 fair value	Base Amount	\$ 858,689.00 Per Agreement
	Receivable	\$ <u>100,617.32</u>